

Russia

Exchange rate: US\$1.00 equals 28.73 rubles.

Old Age, Disability, and Survivors

Regulatory Framework

First law: 1922.

Current laws: 1995 (disability), with amendments; 1996 (mandatory pension insurance); 1998 (nonstate pension funds), with 2003 amendment; 2001 (public pensions); 2001 (labor pensions); 2001 (mandatory pension insurance); 2002 (early labor pension); 2002 (insurance period); 2002 (investments), with amendments; and 2004 (tax code), implemented in 2005.

Type of program: Social insurance and notional and individual accounts system.

Note: The individual account covers persons born in 1967 or later.

Coverage

Employed citizens, self-employed persons, and independent farmers.

Special systems for civil servants, military personnel, police officers, war veterans, and other specified groups.

Source of Funds

Insured person: None.

Self-employed person: Self-employed persons and independent farmers contribute 150 rubles a month.

Employer: 20% of payroll. Agricultural enterprises contribute 10.3% of payroll.

Pension fund administrators may charge up to a maximum of 1.1% of accumulated funds per year for administrative fees for the individual account.

If each employee's annual earnings are less than 280,000 rubles, the total contribution is 26% of payroll.

If each employee's annual earnings are greater than 280,000 rubles up to 600,000 rubles, the contribution is equal to 72,800 rubles plus 10% of annual earnings exceeding 280,000 rubles; if each employee's annual earnings exceed 600,000 rubles, the contribution is equal to 104,800 rubles plus 2% of annual earnings exceeding 600,000 rubles.

The employer's contributions also finance sickness and maternity benefits, medical benefits, and family allowances.

Employers may finance supplementary benefits out of their own budgets.

Government: The total cost of social pensions and special pensions for specified groups. Republics and local governments may finance supplementary benefits out of their own budgets.

Qualifying Conditions

Old-age pension

Old-age labor pension: Age 60 (men) or age 55 (women) with at least 5 years of insurance coverage.

The qualifying conditions are reduced for persons who have worked in the far-north region or in hazardous or dangerous work, to mothers who have five or more children or disabled children, and to some specified professional categories.

Unemployed workers aged 58 or 59 (men) or aged 53 or 54 (women) with no possibility of finding work, subject to the approval of the Employment Agency.

Age 50 with 20 years of work (men) or age 45 with 15 years of work (women), including 10 years (men) or 7.5 years (women) working in an unhealthy environment, underground, or in hot workshops.

Age 55 with 25 years of work (men) or age 50 with 20 years of work (women), including 12.5 years (men) or 10 years (women) in an unhealthy working environment, in geological work, in the railway service, as a driver in a mine, as a dock worker, as a sailor, or as aircraft ground crew. (The required number of years of work in an unhealthy working environment may vary according to circumstances and profession.)

There is no lower age limit for teachers who have worked with children for 25 years and for medical workers employed in health care institutions in cities for 30 years or in villages for 25 years.

Deferred pension: The pension may be deferred. The maximum deferral period depends on the year of retirement.

The old-age labor pension is payable abroad in accordance with national legislation and reciprocal agreements.

State length-of-service pension: A supplement to the old-age labor pension paid to state employees, military personnel, and police officers with 15 years of service.

The length-of-service pension is payable abroad in accordance with national legislation and reciprocal agreements.

Retirement is not necessary. There is no income test for a working pensioner.

State social pension: Disabled citizens or those meeting the age requirement of age 65 (men) or age 60 (women).

The state social pension is not payable abroad.

Retirement is not necessary. There is no income test for a working pensioner.

Disability pension

Disability labor pension: The insured must have been previously employed. The pension is calculated according to three assessed degrees of disability: Group III, 100% incapable of work and requiring constant attendance; Group II, 100% incapable of work but not in need of constant attendance; Group I, 50% incapable of work and not in need of constant attendance.

State disability pension: There is no minimum qualifying period for persons younger than age 20 whose disability is due to a general illness or for any disability resulting from a severe work injury, an occupational disease, or military service.

The state disability pension is payable abroad in accordance with national legislation and reciprocal agreements.

Survivor pension

Survivor labor pension: The deceased's length-of-service period and insurance coverage period are not considered.

Eligible survivors are widows older than age 55 (widowers older than age 60) or unemployed and caring for children younger than age 14 or disabled; children up to age 18 (age 23 if a student, no limit if disabled before age 18); brothers and sisters up to age 18; and grandfathers aged 61 or older and grandmothers aged 56 or older.

The survivor labor pension is payable abroad in accordance with national legislation and reciprocal agreements.

Social survivor pension: Payable if the deceased did not have insurance coverage.

The social survivor pension is not payable abroad.

Old-Age Benefits

Old-age pension

Old-age labor pension: The benefit is calculated as the sum of three components:

- a basic flat-rate benefit according to different categories of beneficiaries,
- a benefit based on the notional account, and
- a benefit based on the value of the individual account (contributions plus interest) to be paid beginning in 2013.

The basic monthly flat-rate benefit for a pensioner aged 80 or younger with no dependents is 1,035 rubles; 1,380 rubles with one dependent; 1,725 rubles with two dependents; 2,070 rubles with three or more dependents. The basic monthly flat-rate benefit for a pensioner older than age 80 with no dependents is 2,070 rubles; 2,415 rubles with one dependent; 2,760 rubles with two dependents; 3,105 rubles with three or more dependents.

There is no officially stated minimum or maximum monthly pension.

Deferred pension: Calculated in the same way as the pension.

State length-of-service pension: The benefit is calculated according to the length of state service and the value of wages earned.

State social pension: The amount of the social pension is a percentage of the basic flat-rate component of the labor pension.

Benefit adjustment: Benefits are adjusted according to the rate of inflation and increases in the average wage.

Permanent Disability Benefits

Disability pension

Disability labor pension: The benefit is calculated according to three assessed degrees of disability: Group III, 100% incapable of work and requiring constant attendance; Group II, 100% incapable of work but not in need of constant attendance; Group I, 50% incapable of work and not in need of constant attendance. The benefit is calculated as the sum of three components:

- a basic flat-rate benefit according to different categories of beneficiaries (and increased according to the number of dependents),
- a benefit based on the notional account, and
- a benefit based on the value of the individual account (contributions plus interest) to be paid beginning in 2013.

State disability pension: Benefits are set by the government according to categories of beneficiaries (and increased according to the number of dependents).

Benefit adjustment: Benefits are adjusted according to the rate of inflation and increases in the average wage.

Survivor Benefits

Survivor pension

Survivor labor pension: The benefit is calculated as the sum of two components:

- a basic flat-rate benefit according to different categories of survivor, and
- a benefit based on the notional account and on the number of eligible survivors.

The pension is split equally among all eligible survivors. The pension does not cease on the remarriage of a widow.

Social survivor pension: The pension is set by the government according to different categories of beneficiaries. The pension is split equally among all eligible survivors.

Benefit adjustment: Benefits are adjusted according to the rate of inflation and increases in the average wage.

Administrative Organization

Pension Fund of the Russian Federation (<http://www.pfrf.ru>) and its regional bodies administer benefits.

Ministry of Health and Social Development (<http://www.mzsrff.ru>) is responsible for policy development.

Sickness and Maternity

Regulatory Framework

First law: 1912.

Current laws: 1984 (benefits); 1991 (medical insurance), with 1993 and 1994 amendments; 1993 (health care), with 1998, 1999, and 2000 amendments; 1995 (child benefits), with 1999, 2000, 2002, 2004, and 2005 amendments; 1998 (mandatory medical insurance); 1999 (mandatory social insurance); and 2001 (labor code).

Type of program: Social insurance (cash benefits) and universal (medical benefits) system.

Coverage

Cash benefits: Employed citizens.

Medical benefits: All citizens and refugees.

Source of Funds

Insured person

Cash benefits: None.

Medical benefits: None. (The insured may contribute to voluntary supplementary medical and maternity insurance. The contribution rates for voluntary supplementary medical insurance vary by plan.)

Self-employed person

Cash benefits: Not applicable.

Medical benefits: None. (The insured may contribute to voluntary supplementary medical insurance. The contribution rates for voluntary supplementary medical insurance vary by plan.)

Employer

Cash benefits: 3.2% of payroll is taken from the total contribution paid under Old Age, Disability, and Survivors, above.

Medical benefits: 2.8% of payroll is taken from the total contribution paid under Old Age, Disability, and Survivors, above.

Government: Federal and local governments provide partial funding for medical benefits.

Qualifying Conditions

Cash and medical benefits: There is no minimum qualifying period. For the childbirth grant, the claimant must register with a medical establishment at the beginning of the pregnancy.

Sickness and Maternity Benefits

Sickness benefit: The benefit varies according to the length of the insurance coverage period: 60% of current earnings is paid with less than 5 years of insurance coverage; 80% with 5 to 8 years; 100% with more than 8 years (or if the insured has three or more dependent children).

To provide care for a sick child younger than age 7, the benefit is provided for the total period of sickness; for a child younger than age 15, for 15 calendar days; for a family member older than age 15, for 7 calendar days.

The minimum benefit is equal to 100% of the minimum wage.

The maximum benefit is equal to 85 times the minimum wage.

The minimum wage is 1,100 rubles (May 2006).

Funeral grant: A lump sum of between 1,000 rubles and 2,000 rubles is paid, depending on local government financial resources.

Maternity benefit: 100% of the insured's gross earnings in the last 12 months is paid for 70 days before the expected date of childbirth and 70 days after childbirth; may be extended by an additional 14 or 40 days in certain cases.

The maximum benefit is 12,480 rubles.

Childbirth grant: A lump sum of 8,000 rubles is paid, plus an additional sum paid by local government.

Pregnancy registration supplement: 300 rubles is paid when the pregnancy is registered.

Adoption grant: A lump sum of 6,000 rubles (2005) is paid, plus an additional sum paid by local government.

Workers' Medical Benefits

Compulsory medical insurance covers medical services provided directly to patients by public and private health providers. Benefits include general, preventive, and emergency care; hospitalization; laboratory services; dental care; maternity care; vaccination; and transportation.

Cost sharing: Medicines prescribed during hospitalization are provided free or at reduced rates to persons with certain categories of illness, the disabled, and war veterans.

Voluntary medical insurance covers specialized care, expensive medicines, and appliances.

In accordance with legislative reform where special in-kind social benefits were replaced by cash compensation, some categories of the population, including the elderly, persons with disabilities, and war veterans, may receive cash compensation for some medicines in 2006.

Dependents' Medical Benefits

Compulsory medical insurance covers medical services provided directly to patients by public and private health providers. Benefits include general, preventive, and emergency care; hospitalization; laboratory services; dental care; maternity care; vaccination; and transportation.

Cost sharing: Medicines prescribed during hospitalization are provided free or at reduced rates to persons with certain categories of illness, the disabled, and war veterans.

Voluntary medical insurance covers specialized care, expensive medicines, and appliances.

In accordance with legislative reform where special in-kind social benefits were replaced by cash compensation, some categories of the population, including the elderly, persons with disabilities, and war veterans, may receive cash compensation for some medicines in 2006.

Administrative Organization

Cash benefits: Social Insurance Fund of the Russian Federation (<http://www.fss.ru>) and regional social insurance funds administer cash sickness and maternity benefits.

Enterprises and employers administer and pay benefits to their own employees.

Regional departments of social protection administer maternity benefits for the unemployed and other nonworking citizens.

Medical benefits: Ministry of Health and Social Development (<http://www.mzsrff.ru>) and regional health departments implement state health care policy and develop health care programs.

Federal Compulsory Medical Insurance Fund implements health care policy within the state social insurance system and administers the financing of medical insurance programs.

Medical services are provided through clinics, hospitals, maternity homes, and other medical facilities, including private health care providers.

Regional government administers medical insurance.

Work Injury

Regulatory Framework

First law: 1903.

Current laws: 1998 (work injury and occupational diseases), implemented in 2000; 1999 (risk classification); 2001 (labor code); 2004 (cash compensation); 2004; and 2005 (contributions).

Type of program: Social insurance system.

Coverage

Employed citizens, employed convicted persons, and persons employed on the basis of a civil or legal agreement if under such an agreement the employer is obligated to pay contributions to the Social Insurance Fund of the Russian Federation for mandatory social insurance against work injury and occupational diseases.

Source of Funds

Insured person: None.

Self-employed person: Not applicable.

Employer: Varying contributions (between 0.2% and 8.5% of payroll) according to 22 classes of professional risk related to 22 categories of industry. Employers may finance supplementary benefits out of their own budgets.

Government: None. Republics and local governments may finance supplementary benefits out of their own budgets.

Qualifying Conditions

Work injury benefits: There is no minimum qualifying period.

Temporary Disability Benefits

The benefit is equal to 100% of average gross earnings and is payable from the first day of incapacity until the insured is fully rehabilitated.

Average gross earnings are based on earnings immediately before the certification of the degree of disability.

The Medical and Social Assessment Office assesses the degree of disability at least once a year.

Lump-sum compensation: A lump sum of up to 43,200 rubles (2005) is also paid to insured workers. The lump sum is calculated in proportion to the percentage of lost working capacity.

A monthly benefit based on the average wage in the last 12 months and the assessed loss in working capacity is paid for a sustained loss in working capacity.

Permanent Disability Benefits

Permanent disability pension: The pension is calculated according to three assessed degrees of disability: Group I pensioners receive 30% of average gross earnings, and Groups II and III pensioners receive 75% of average gross earnings.

The minimum level of assessed disability for entitlement to benefits varies from 10% to 30%.

The maximum benefit is set annually by the Social Insurance Fund (33,000 rubles a month in 2005).

The Medical and Social Assessment Office assesses the degree of disability at least once a year.

Constant-attendance allowance: Twice the minimum wage per month is paid to those requiring outpatient special medical care; 50% of the minimum wage for daily attendance.

The minimum wage is 1,100 rubles (May 2006).

Workers' Medical Benefits

Compulsory medical insurance covers medical services provided directly to patients by public and private health care providers. Benefits include general, preventive, and emergency care; hospitalization; laboratory services; dental care; transportation; free appliances and medicines; and the cost of professional rehabilitation.

Specialized care may be provided under voluntary supplementary insurance coverage offered by the employer.

Survivor Benefits

Survivor pension: Payable on the death of the insured as the result of a work injury or an occupational disease. The benefit is calculated as the sum of two components:

- a basic flat-rate benefit according to different categories of survivor, and
- a benefit based on the notional account and on the number of eligible survivors.

Lump-sum compensation: In addition to the pension, a lump sum of 43,000 rubles (2005) is paid and split equally among all entitled survivors.

Death grant: A lump sum of up to 1,000 rubles. (The employer may pay an additional benefit.)

Administrative Organization

Temporary disability benefits are administered by the Social Insurance Fund of the Russian Federation (<http://www.fss.ru>) and regional funds. Enterprises and employers pay benefits to employees.

Pension Fund of the Russian Federation (<http://www.pfrf.ru>) administers permanent disability pensions.

Ministry of Health and Social Development (<http://www.mzsrff.ru>) administers the provision of medical services through clinics, hospitals, maternity homes, and other medical facilities, including private health care providers.

State health care policies and programs are implemented and administered by regional health departments.

Regional employment services administer and finance the program.

Unemployment

Regulatory Framework

First law: 1921.

Current laws: 1991 (employment), with 2003 and 2004 amendments; 1997 (registration); 2001 (labor code); 2004 (cash compensation); and 2006 (benefits).

Type of program: Social insurance and social assistance system.

Coverage

Citizens between ages 16 and 59 (men) or ages 16 and 54 (women).

Source of Funds

Insured person: None.

Self-employed person: None.

Employer: None.

Government: Financed from federal and local government budgets. Republic and local governments may finance supplementary benefits for unemployed persons and their dependents out of their own budgets.

Qualifying Conditions

Unemployment benefits: Must be registered at an employment office, have 26 weeks of full-time employment in the last 12 months (or the 26-week equivalent for part-time employment), and be able and willing to work.

Benefits may be reduced, postponed, suspended, or terminated if the worker is discharged for violating work discipline, leaving employment without good cause, violating conditions for job placement or vocational training, or filing a fraudulent claim.

Unemployed persons who do not meet the prior work conditions or persons who have never worked may be eligible for reduced benefits.

Unemployment Benefits

Benefits are calculated as a percentage of previous average wages and are paid for up to 12 months. The benefits decrease over time: 75% of the previous average monthly wage is paid for the first 3 months; 60% for the next 4 months; and 45% for the last 5 months.

For a second 12-month period, the monthly benefit is equal to 30% of the local minimum subsistence level.

The minimum monthly benefit is 720 rubles.

The maximum monthly benefit is 2,880 rubles.

For unemployed persons who do not meet the prior work conditions or for persons who have never worked, the benefit is 30% of the regional minimum subsistence level for the first 6 months and 20% of the regional minimum subsistence level for the next 6 months, but not less than 100 rubles per month.

Dependent's supplement: The benefit is increased by 10% of the regional minimum subsistence level, up to a maximum of 30%. If both parents are unemployed, both are entitled to claim a supplement for the same dependent.

Supplement for victims of radiation: The benefit is increased by 10% of the regional minimum subsistence level, but not less 50 rubles.

Supplement for persons living in radiation-contaminated zones: The benefit is increased by 10% of the regional minimum subsistence level, but not less than 100 rubles.

Early pension: Payable to unemployed older workers between ages 58 and 59 (men) or ages 53 and 54 (women). (The benefit is the same as the old-age labor pension under Old Age, Disability, and Survivors, above.)

Administrative Organization

Ministry of Health and Social Development (<http://www.mzsrff.ru>) provides general supervision.

Regional employment services administer the program.

Local employment services pay benefits.

Family Allowances

Regulatory Framework

First law: 1944.

Current laws: 1995 (child benefits), with 1999, 2000, 2002, 2004, and 2005 amendments; 2004 (cash compensation); and 2005.

Type of program: Social insurance and social assistance system.

Coverage

Children younger than age 16 (up to age 18 if a full-time student).

Source of Funds

Insured person: None.

Self-employed person: None.

Employer: See source of funds under Old Age, Disability, and Survivors, above. Employers may finance supplementary benefits out of their own budgets.

Government: Federal and local government budgets subsidize the cost of benefits. Republics and local governments may finance supplementary benefits out of their own budgets.

Qualifying Conditions

Child allowances: Payable to families with income below the locally determined minimum subsistence level. The child must reside in the household.

Child care leave allowance: Payable to employees, students engaged in vocational courses, and military personnel.

Family Allowance Benefits

Child allowances: The allowance varies according to geographic region. The allowance is paid for each child from age 18 months to age 16 (up to age 18 if a full-time student).

Supplements are paid if a parent fails to pay alimony.

Single parents receive twice the child allowance.

Child care leave allowance: 700 rubles a month is paid until the child is age 18 months; age 7 if the child is ill and receiving outpatient treatment; age 15 if receiving inpatient treatment.

A parent caring for a sick child receives 60% to 100% of wages for the first 7 days of illness; thereafter, 30% of wages (50% for single mothers) until the child's full recovery.

Administrative Organization

Ministry of Health and Social Development (<http://www.mzsrff.ru>) provides general oversight of the program.

Regional and local departments of social protection pay benefits.